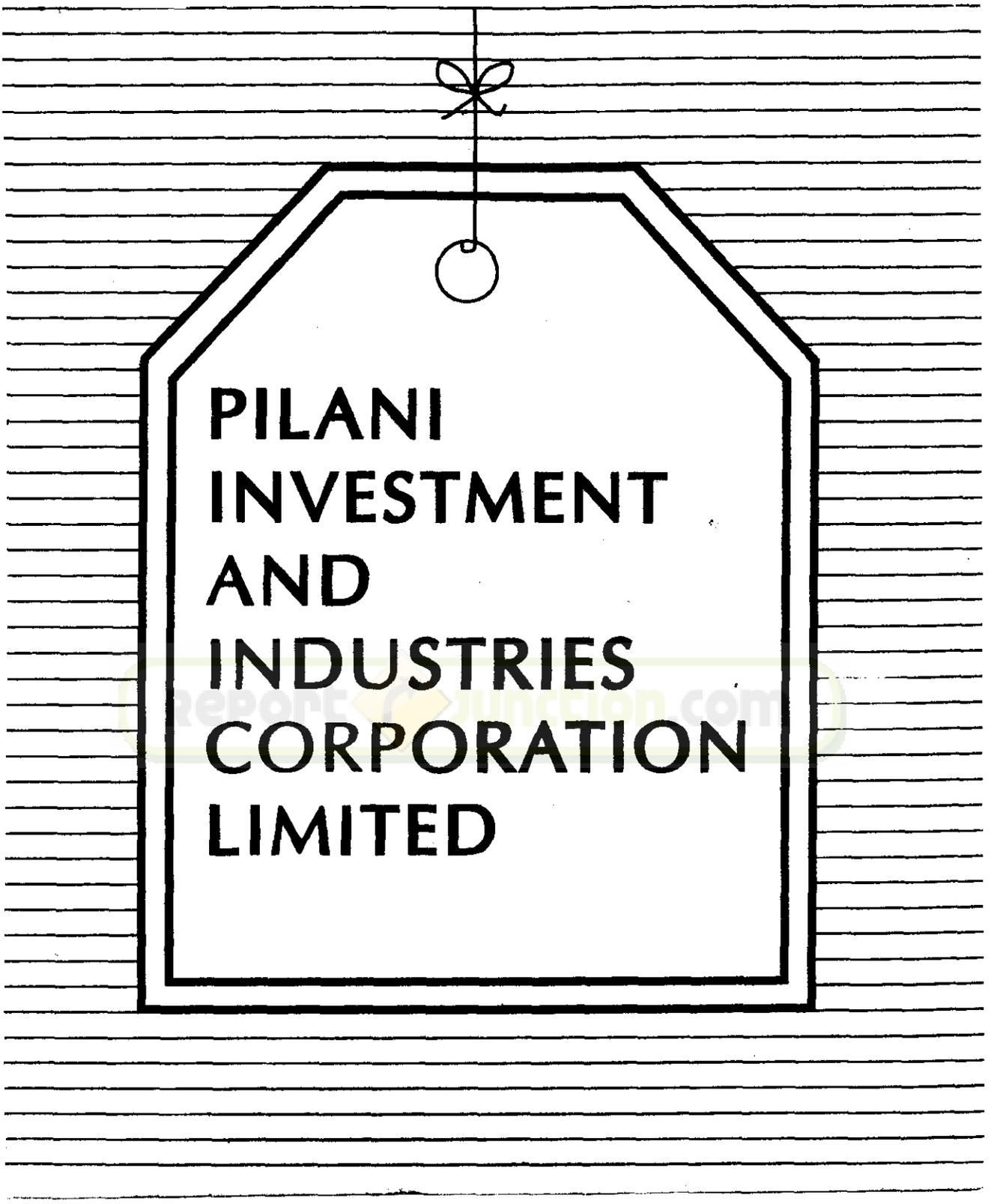
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ANNUAL REPORT AND ACCOUNTS 1998-99



# PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

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## *DIRECTORS*

SHRI K. K. BIRLA
SHRI B. K. BIRLA
SHRI G. P. BIRLA
SMT. PRIYAMVADA BIRLA
SHRI S. K. BIRLA
SHRI G. D. KOTHARI
SHRI D. N. PATODIA
SHRI ARVIND C. DALAL
SHRI P. K. KHAITAN
SHRI R. A. MAKHARIA
*– Executive Director*

## *SECRETARY*

SHRI B. D. DALMIA

## *AUDITORS*

M/S. S. R. BATLIBOI & CO.
CHARTERED ACCOUNTANTS
CALCUTTA - 700 013

## *REGISTERED OFFICE*

BIRLANAGAR,
GWALIOR - 474 004 (M. P.)



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# DIRECTORS' REPORT

TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting to you the Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 1999.

## FINANCIAL RESULTS

| | Rs. | *Previous Year* Rs. |
|---|---|---|
| Net Profit from operations, Dividend Interest and Rent Income | **17,43,52,058** | 24,61,84,646 |
| Profit on sale of Investments | — | 9,53,05,000 |
| | **17,43,52,058** | 34,14,89,646 |
| Less : Depreciation | **2,01,160** | 1,98,334 |
| Profit before tax | **17,41,50,898** | 34,12,91,312 |
| Less : Provision for taxation | **3,02,55,000** | 4,46,60,000 |
| Profit after taxation | **14,38,95,898** | 29,66,31,312 |
| Add : Balance brought forward from last year | **7,90,37,279** | 21,50,342 |
| Profit available for appropriation | **22,29,33,177** | 29,87,81,654 |
| Appropriation | | |
| (i) Special Reserve | **2,88,00,000** | 5,95,00,000 |
| (ii) Proposed Dividend | **9,88,59,375** | 11,86,31,250 |
| (iii) Tax on proposed dividend | **1,08,74,531** | 1,18,63,125 |
| (iv) General Reserve | **1,44,00,000** | 2,97,50,000 |
| (v) Balance carried forward to next year | **6,99,99,271** | 7,90,37,279 |
| | **22,29,33,177** | 29,87,81,654 |

## DIVIDEND

A dividend of Rs. 12.50 per share (Previous year Rs. 15.00 per share) is recommended for payment. The aggregate amount of dividend will absorb Rs. 9.89 crores and the tax on proposed dividend @ 11% Rs. 1.09 crores.

## REVALUATION

The long term quoted investments were revalued as on 31st March, 1999, in consonance with the accounting practice followed by the company since 1997. Due to bearish capital market conditions, the value of investments as on 31st March, 1999 has been decreased in the Company's books by Rs. 247.07 crores. The corresponding amount has been decreased from the Investment Reserve.

## DIRECTORS

Shri K. K. Birla, Shri B. K. Birla and Smt. Priyamvada Birla, Directors of the Company retire from the



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## DIRECTORS' REPORT — *(Contd.)*

office by rotation at the forthcoming Annual General Meeting but being eligible offer themselves for re-election.

### SUBSIDIARY COMPANY

The Audited Accounts and Directors' Report of the subsidiary are annexed hereto.

### AUDITORS

Shareholders are requested to appoint Auditors for the current financial year and to fix their remuneration.

### AUDITORS REPORT

The observations made in the Auditors Report are self explanatory and, therefore, do not call for any further comments under Section 217 of the Companies Act, 1956.

### EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report.

### NON-BANKING FINANCIAL COMPANIES (RESERVE BANK) DIRECTIONS

The Company has made an application for registration under Section 45-IA of the Reserve Bank of India Act, 1934, to carry on the business as a Non-Banking Financial Institution.

### DEPOSITS

The Company has not accepted any public deposit during the year. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public *Deposits (Reserve Bank) Directions, 1998.*

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The Company has no manufacturing activity and therefore, the disclosure of particulars as required to be appended under Section 217(1)(a) of the Companies Act, 1956, in so far as it relates to the Conservation of the Energy and Technology Absorption is not applicable. Particulars with regard to Foreign Exchange Earnings and Outgo appear in Schedule `H' to the accounts and forming part of this report.

### Y2K COMPLIANCE

Company's Y2K exposure is limited to the extent of non-compliance by external agencies. Therefore, the expenditure to ensure Y2K compliance is not expected to have any material effect on the financial statements.

**K. K. BIRLA** — **B. K. BIRLA**
**G. P. BIRLA** — **PRIYAMVADA BIRLA**
**S. K. BIRLA** — **G. D. KOTHARI**
**D. N. PATODIA** — **ARVIND C. DALAL**

**P. K. KHAITAN**
*Directors*

Calcutta
June 29, 1999

**R. A. MAKHARIA**
*Executive Director*



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